

communication between dealers and institutional customers begin on trade date. In addition, the success of the proposed Phase II of the MSRB's Transaction Reporting Program will depend on timely and accurate submission of institutional customer transaction data on trade date to the automated confirmation/acknowledgement system.⁹

Section 15B(b)(2)(C) of the Act provides that the MSRB has the authority to adopt rules:

To foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest * * *.¹⁰

The MSRB believes the proposed rule change is consistent with Section 15B(b)(2)(C) of the Act because the proposal will facilitate clearance and settlement of municipal securities in a T+3 environment by helping to ensure a more timely confirmation and acknowledgement of DVP/RVP customer transactions.

B. Self-Regulatory Organization's Statement on Burden on Competition

the MSRB does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

The MSRB has neither solicited nor received comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within thirty-five days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) By order approve such proposed rule change or

⁹ For a complete description of Phase II of the MSRB's Transaction Reporting Program, refer to "Transaction Reporting Program for Municipal Securities: Phase II," MSRB Reports, Vol. 15, No. 1 (April 1995).

¹⁰ 15 U.S.C. 78o-3(b)(2)(C) (1988).

(B) Institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. People making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Section. Copies of the filing will also be available for inspection and copying at the MSRB's principal offices. All submissions should refer to File No. SR-MSRB-95-3 and should be submitted by May 31, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-35676; File No. SR-PHILADEP-94-06]

Self-Regulatory Organizations; The Philadelphia Depository Trust Company; Order Granting Temporary Approval of a Proposed Rule Change Extending the Pilot Program for the Fully Automated Securities Transfer Reconciliation Accounting Control System

May 4, 1995.

On December 14, 1994, the Philadelphia Depository Trust Company ("PHILADEP") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-PHILADEP-94-06) under Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ to extend the pilot program governing the Fully Automated Securities Transfer Reconciliation Accounting Control System ("FASTRACS") through

¹¹ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78(b)(1) (1988).

December 29, 1995. Notice of the proposal was published in the **Federal Register** on March 17, 1995.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change and extending the FASTRACS pilot program on a temporary basis through December 29, 1995. The program will be limited to three transfer agents for the duration of the temporary approval period.

I. Description

On July 19, 1994, the Commission approved a proposed rule change establishing a pilot program for FASTRACS for the transfer of certain securities between PHILADEP and certain transfer agents.³ FASTRACS is an automated program by which PHILADEP and the participating transfer agents use a master balance certificate to evidence the number of securities of a particular issue that are registered in PHILADEP's nominee name. The transfer agents have custody of the securities in the form of balance certificates. The transfer agents adjust daily the balance certificates to reflect PHILADEP's withdrawal and deposit activity.

According to PHILADEP, the pilot program has operated successfully in accordance with the operational and technical specifications; however, testing of the program is not complete.⁴ Therefore, PHILADEP has requested an extension of the FASTRACS pilot program on a temporary basis through December 29, 1995.

II. Discussion

As discussed in detail in the order initially approving PHILADEP's FASTRACS pilot program,⁵ one of the primary reasons for approval of the FASTRACS program is to enable PHILADEP to provide for the safe and efficient clearance and settlement of securities transactions and to assure the

² Securities Exchange Act Release No. 35470 (March 10, 1995), 60 FR 14477.

³ For a complete description of PHILADEP's FASTRACS, refer to Securities Exchange Act Release No. 34404 (July 19, 1994) 59 FR 38010 [File No. SR-PHILADEP-90-03] (order approving FASTRACS program on a temporary basis).

⁴ Currently, PHILADEP has completed testing with two transfer agents who are now fully operational with FASTRACS. PHILADEP continues to conduct testing with a third transfer agent. Upon successful completion of testing with the third transfer agent, PHILADEP will file a proposed rule change under Section 19(b) of the Act to seek permanent approval of the FASTRACS program. Telephone conversation between Keith Kessel, Compliance Officer, PHILADEP, and Margaret J. Robb, Attorney, Division of Market Regulation, Commission (December 22, 1994).

⁵ *Supra* note 3.

safeguarding of securities and funds in its custody or control or for which it is responsible in accordance with Section 17A(b)(3)(A) and (F) of the Act.⁶ PHILADEP has stated that the FASTRACS program has functioned effectively in this capacity since its initial approval on July 19, 1994; however, testing of the program is not complete. Therefore, the Commission believes that an extension of the FASTRACS pilot program through December 29, 1995, is appropriate because it will provide PHILADEP with the opportunity to continue testing the FASTRACS program and to report the results of its testing to the Commission.

III. Conclusion

The Commission finds that PHILADEP's proposal is consistent with the requirements of the Act and particularly with Section 17A and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-PHILADEP-94-06) be, and hereby is, approved through December 29, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-11515 Filed 5-9-95; 8:45 am]

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[Rel. No. IC-21041; International Series Release No. 807; 812-9340]

Bayerische Vereinsbank Aktiengesellschaft, et al.

May 4, 1995.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

APPLICANTS: Bayerische Vereinsbank Aktiengesellschaft ("BV") and Vereinsbank Finance (Delaware) Inc. ("Issuer").

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act that would exempt applicants from subparagraphs (a)(1) and (a)(3) of rule 3a-5 under the Act.

SUMMARY OF APPLICATION: Applicants request an order to permit Issuer, a wholly-owned BV subsidiary, to sell its commercial paper in the United States to raise funds for the business operations of BV without registering as an investment company.

FILING DATE: The application was filed on December 5, 1994, and amended on March 23, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on May 30, 1995, and should be accompanied by proof of service on applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street N.W., Washington, D.C. 20549. Applicants: 335 Madison Avenue, New York, NY 10017.

FOR FURTHER INFORMATION CONTACT: Sarah A. Buescher, Staff Attorney, at (202) 942-0573, or Robert A. Robertson, Branch Chief, at (202) 942-0546 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicants' Representations

1. BV is a bank organized under the laws of the Federal Republic of Germany ("Germany") with its headquarters in Munich. It is a publicly held corporation with limited liability (Aktiengesellschaft), the shares of which are quoted on all German stock exchanges. BV and its subsidiaries are active in the mortgage business, commercial banking, leasing, and funds management/financial advisory products. BV is subject to supervision by the Federal Banking Supervisory Office of Germany, an independent federal authority, and by the Deutsche Bundesbank, the German Central Bank. Applicants represent that regulation by German banking authorities is comparable in many respects to the supervision of United States commercial banks.

2. Issuer, a Delaware corporation, is a wholly-owned subsidiary of BV. Initially, Issuer proposes to issue and sell in the United States short-term negotiable promissory notes of the type exempt from the registration requirements of the Securities Act of

1933 by virtue of section 3(a)(3) thereof and generally referred to as commercial paper (the "Notes"). The Notes would be offered publicly, only to the types of sophisticated and largely institutional investors that ordinarily participate in the United States commercial paper market. The proceeds from the sale of the Notes would be used to finance the business activities of BV. Issuer may in the future issue and sell other debt securities.

3. Applicants require exemptive relief from subparagraphs (a)(1) and (a)(3) of rule 3a-5, since BV will not unconditionally guarantee the obligations of Issuer to pay the Notes, as required by the rule. BV will provide a functional equivalent of a guarantee. BV requires the proposed structure for tax reasons and because the German Federal Banking Law and the German Federal Supervisory Office could require BV to maintain additional funds if BV provided an unconditional guarantee or letter of credit.

4. Issuer would deposit the net proceeds from the sale of the Notes (the "Deposits") at BV's Cayman Islands branch (the "Branch") pursuant to a deposit agreement (the "Deposit Agreement") to be entered into by Issuer, the Branch, and BV. Substantially all of Issuer's assets would consist of a single evidence of indebtedness of the Branch issued to Issuer evidencing Issuer's deposits. The Branch unconditionally agrees to repay to Issuer each Deposit made by Issuer at the Branch, including accrued interest, on the maturity date of the Deposit. Noteholders would be assigned as security and granted a security interest in the Deposits and accrued interest corresponding to their Notes. If Issuer fails to pay a Note according to its terms, the Deposit Agreement entitles the Noteholder to receive payments by the Branch of the Deposit and accrued interest.

5. Under German law and pursuant to the Deposit Agreement, the repayment obligation of the Branch in respect of the Deposits is an obligation of BV. BV's obligations regarding its liabilities to Issuer will rank at least *pari passu* among themselves and with all other unsecured and unsubordinated indebtedness, including deposit liabilities, of BV and will be superior to rights of shareholders.

6. To assure that the proceeds from the sale of the Notes will be deposited with the Branch, Issuer and the Branch will enter into an agreement ("Issuing and Paying Agency Agreement") with a commercial bank pursuant to which the Branch would have an operating account with the commercial bank. The

⁶ 15 U.S.C. 78q-1(b)(3)(A) and (F) (1988).

⁷ 17 CFR 200.30-3(a)(12) (1994).